



JB Pritzker
Governor

Thomas D. Chan
Acting Director

Illinois Employment Security Advisory Board
September 19, 2019
Minutes

Board Attendees:

Springfield: Tim Drea
Bill Potts

Chicago: James Argionis
David Prosnitz

Phone: Mark Denzler
Rick Terven

With a quorum of the members present, the meeting was called to order by Chairman Argionis.

Agenda:

1. A motion was made to approve the minutes from June 17, 2019. The motion was seconded, and the minutes were approved.

1. Director's Comments (Tom Chan, Acting Director)

Acting Director Thomas Chan discussed the Sexual Harassment Prevention Training of 2019 which is required of all State employees as well as Board members. He indicated that Gina Wilson, the Ethics Officer for IDES, would reach out to ESAB members by email to remind them when the training became available.

2. Integrity Update (Tom Chan/Trina Taylor)

As of September 1, 2019, IDES has prevented a over \$1 billion in potential improper benefit payments; identified \$113 million in overpayments and recovered \$286 million. The dates shown on the integrity report reflects the date each integrity measure was implemented. Illinois continues to meet or exceed all UI performance measures with the exception of the UI overpayment recovery percentage, which we are optimistic will improve by quarter ending December 31, 2019, and the improper payment rate. During our last meeting, we pointed out the improper payment rate in Illinois was 9.6% for quarter ending December 31, 2018. For quarter ending March 31, 2019, Illinois improper payment rate rose slightly above the 10% threshold to 10.1%. The increase in this percentage during this quarter is attributed to earnings not being reported timely or accurately during the certification process. In our efforts to resolve the issue of improper payments IDES has asked for technical assistance from the NASWA UI Integrity Center. Their staff will be on site in November to conduct an analysis of our Benefit Accuracy Measure unit and the root cause for improper payment.



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IDES continues to make progress towards the two USDOL audit performance standards that it did not meet for 2018: (1) auditing 1% of all contributory employers and (2) auditing at least 1% of total wages. To meet the minimum audit figure for calendar year 2019, IDES needs to average approximately 3,300 audits or about 275 audits per month. For the first 8 months of the year we've averaged 253 audits per month. That means we need to close out the final four months averaging about 320 audits per month. Our Audit division is confident it will meet that target and will utilize overtime in the fourth quarter if necessary.

3. Quarterly Financials Presentation (George Putnam)

The state's Unemployment Trust Fund account ended the 2017 calendar year with a positive balance of \$1.60B and 2018 with a balance of \$1.92B. Year-end balances are projected to remain positive through 2022 – the extent of the forecast horizon – which is expected to close with a balance of \$920M. However, starting in 2019, the account is expected to run annual deficits through the end of the horizon. Finally, IDES continues to test the USDOL/ETA Trust Fund Solvency model (released on March 15) to use for comparison to the Agency's model.

4. Open Discussion

Acting Director Thomas Chan discussed Item 5 of the Operating Resolutions which requires that at the first meeting of the Fiscal Year, the Board choose from its membership a Chairman Pro-Tempore who will serve as Chairman of the Board in the Chairman's absence or in the event of the resignation of the Chairman. For the past year, the Chairman Pro-Tempore was Sharon Thomas Parrott. However, Sharon recently submitted her resignation to serving on the Board, which we reluctantly accepted. Acting Director Chan noted that Sharon was passionately engaged with this Department and brought a unique perspective and expertise that will be missed. Due to her absence, a new Chairman Pro-Tempore must be selected for Fiscal Year 2020. A motion was made to postpone the selection for the next meeting due to the absence of enough public members of the ESAB, who have traditionally held the position. The motion was seconded and approved.

Motion to adjourn was made and seconded. The meeting adjourned.